

RFQ NUMBER: _____

**STATE OF GEORGIA
STANDARD AGENCY AGREEMENT
INSTALLMENT PURCHASE/ SALE FINANCING**

Agreement between _____, An Agency of the State of

Georgia, as Vendee, hereinafter referred to as the User Agency, and _____ as Vendor, hereinafter referred to as the Contractor, for the Installment Sale, of certain equipment. Subject to the terms and conditions set out below, the Contractor agrees to sell to the User Agency the following described equipment:

1. PAYMENTS

In consideration for the Installment Sale financing of the equipment covered herein, the User Agency shall pay to the Contractor for the equipment the sum of \$_____ per _____ (month, quarter, year) as a portion of the payment price during the term of this agreement or any renewal hereof. A portion of each payment shall be allocated to interest as indicated on the attached contractor-provided amortization schedule which indicates payment, interest and principal balance.

2. TERM

This agreement shall begin on the date that the contract becomes effective and shall continue until the close of business of the then current fiscal year of the State of Georgia, unless renewed pursuant to paragraph #3.

3. OPTION TO RENEW

The User Agency is hereby granted ____ successive options to renew this agreement for additional terms of one fiscal year each (July 1 - June 30), and one final option to renew this agreement for a period sufficient to make the total extended term of this agreement _____ months, all upon the same terms and conditions, provided, that such options shall be exercisable solely and exclusively by the User Agency. Exercise of any such option shall be by the issuance of a Purchase Order Correction.

4. EARLY TERMINATION CHARGES

Except in the event indicated in paragraph #8, the payments set out herein are based upon the expectation of the parties that the User Agency will exercise all of the options to renew granted to it. In the event that the User Agency should fail to exercise all of said options to renew, it shall pay to the Contractor:

September 21, 1999 _____ SAA (1) **Revised:**

RFQ NUMBER: _____

5. RETURN OF EQUIPMENT

The Contractor may, upon an early termination pursuant to paragraphs #4 and #15 or #16, enter the premises of the User Agency and remove the equipment. In the event of early termination after the passage of title to the User Agency, and without full payment of the outstanding balance of the purchase price being tendered by the User Agency to the Contractor, title shall be transferred to the Contractor pursuant to paragraph # 7b.

6. INITIAL CONDITION OF EQUIPMENT

Any equipment leased or purchased hereunder shall be _____ ("new", "remanufactured", "reconditioned", etc.).

7. TITLE

a. Unless otherwise set forth in paragraph #25, title to the equipment shall vest in the User Agency upon its acceptance of the equipment from the Contractor or from the third party as indicated in paragraph #24, subject to the terms and conditions of this agreement and the User Agency's obligation hereunder.

b. In the event that the User Agency does not fully consummate the sale by making full payment for the equipment, title to the equipment shall be transferred to the Contractor by State Purchasing of the Department of Administrative Services acting on behalf of the User Agency.

8. TRANSFER OF TITLE

The User Agency shall have the option of fully paying for any equipment acquired by installment sale hereunder at any time during the term of this agreement or any renewal thereof or upon the expiration of the last renewal term of this agreement for a price equal to the principal balance after the most recent payment as shown on the attached vendor-provided amortization schedule. There shall be no prepayment penalties assessed for early payout.

9. TOTAL OBLIGATION

The total obligation which the User Agency may incur in the initial term of this agreement is \$_____. (Indicate the Installment Sale charges from the initial month of the agreement through the subsequent June 30)

The total obligation which the User Agency may incur in each renewal term is as follows:

	RENEWAL PERIOD	TOTAL DOLLAR OBLIGATION FOR PERIOD
*	First Renewal: _____	\$ _____
*	Second Renewal: _____	\$ _____
*	Third Renewal: _____	\$ _____
*	Fourth Renewal: _____	\$ _____
*	Fifth Renewal: _____	\$ _____
Revised: September 21, 1999		SAA (2)
RFQ NUMBER: _____		

* The initial and subsequent renewals of the contract are determined by the State of Georgia's fiscal year (July 1- June 30 of the subsequent year). The final renewal may be less than one year.

10. DELIVERY

Shipping and delivery costs, if any, shall be borne by _____.
("Contractor" or "User Agency"), such costs not to exceed \$ _____. (If shipping and delivery are to be paid by the User Agency, enter an exact or "shall not exceed" amount; if such charges are not applicable or are to be paid by the contractor, indicate "Not Applicable")

11. INSTALLATION

The Contractor shall install the equipment at the location designated by the User Agency. Installation costs shall be borne by the _____ ("Contractor" or "User Agency"), such costs not to exceed \$ _____. (If Installation charges are to be paid by the User Agency, indicate an exact or "shall not exceed" amount; if such charges are not applicable or are to be paid by the Contractor, indicate "Not Applicable".)

12. REPAIRS AND MAINTENANCE

Unless otherwise stated in paragraph #25, the Contractor shall maintain the equipment in good working order and will make all necessary adjustments and repairs. For this purpose the Contractor shall have full and free access to the equipment. The charge for such maintenance is included in the payment set out in paragraph #1.

13. TAXES

The User Agency will forthwith pay all taxes lawfully imposed upon it with respect to the equipment or this agreement. The Contractor will forthwith pay all taxes lawfully imposed upon it with respect to the equipment or this agreement. By this section, the User Agency makes no representation whatsoever as the liability or exemption from liability of the Contractor to any tax imposed by any governmental entity.

14. RISK OF LOSS

The User Agency shall assume all risk of loss of the equipment at all times during the term of this agreement or any renewal thereof. From the time that title to the equipment vests in the User Agency until this agreement is terminated, the User Agency shall procure and maintain fire and extended coverage insurance on the equipment through the State of Georgia, insuring the full insurable value against risk of loss or damage, providing a minimum of ten (10) days written notice of change or cancellation to the contractor. This agreement does not provide for or require insurance coverage for bodily injury or property damage to others.

Revised: September 21, 1999

SAA (3)

RFQ NUMBER: _____

15. PATENTS

Contractor shall, at its expense, be entitled to and shall have the duty to participate in the defense of any suit instituted against the User Agency and indemnify the User Agency against any award of damages and costs made against the User Agency by a final judgement of a court of last resort in such suit insofar as the same is based on any claim that any of the equipment

constitutes an infringement of any United States Letters Patent; provided the User Agency gives the Contractor immediate notice in writing of the institution of such suit, permits the Contractor to fully participate in the defense of the same and gives the Contractor all available information, assistance and authority to enable the Contractor to do so. The Contractor shall not be liable for any award of judgement against the User Agency reached by compromise or settlement unless the Contractor accepts the compromise or settlement. The Contractor shall have the right to enter into negotiations for and the right to effect settlement or compromise of any such action, but no such settlement shall be binding upon the User Agency unless approved by the Agency.

In case any of the equipment is in any suit held to constitute infringement and its use is enjoined, the Contractor shall, at its option and expense (1) procure for the User Agency the right to continue using the equipment; or (2) replace or modify the same so that it becomes non-infringing; or (3) remove the same and cancel any future charges pertaining thereto. The Contractor, however, shall have no liability to the User Agency if any such patent infringement or claim thereof is based upon or arises out of; (1) compliance with designs, plans or specifications furnished by or on behalf of the User Agency as to the equipment; or (2) the use of the equipment in combination with apparatus or devices not supplied by the Contractor; or (3) the use of equipment in a manner for which the same was neither designed or contemplated; or (4) the claimed infringement of any patent in which the User Agency or any affiliate or subsidiary of the User Agency had any direct interest by license or otherwise. The foregoing states the entire liability of the Contractor for or resulting from patent infringement or claim thereof.

16. DEFAULT

Upon the failure of the User Agency to make any payment when due, or upon the failure of the User Agency to perform any other obligation imposed upon it by this agreement and upon the continuance of such failure after the receipt of written notice thereof from the Contractor, the User Agency shall be deemed to be in default hereunder. Upon the occurrence of any such default, the Contractor shall have the right, in addition to any other legal remedy available to it, to enter the User Agency's premises and remove the equipment.

17. FUNDING

Notwithstanding any other provision of this agreement, the parties hereto agree that the charges hereunder are payable by the User Agency solely from appropriations received by the General Assembly of the State of Georgia. In the event such appropriations are determined in the sole discretion of the chief operating officer of the User Agency no longer to exist or to be insufficient with respect to the charges payable hereunder, this agreement shall terminate without further obligation of the User Agency as of that moment (hereinafter referred to as "Event"). In such Event, the chief operating officer of the User Agency shall certify to the Contractor the occurrence thereof, and such certification shall be conclusive. In the event of the User Agency's certification, the User Agency agrees not to replace before the end of the fiscal year in which the Event occurs or before the expiration of this agreement, whichever occurs first, the equipment covered hereunder with equipment obtained from another contractor at the same or higher annual cost to the User Agency.

18. ASSIGNMENT

The Contractor may, with the prior approval of the User Agency, assign its right to receive payments hereunder, provided, that such assignment shall not relieve the Contractor of its responsibility to perform any duty imposed upon it herein.

Revised: September 21, 1999

SAA (4)

RFQ NUMBER: _____

19. SEVERABILITY

This agreement embodies the entire agreement between the parties. It may not be modified or terminated except as provided herein by other written consent. If any provision herein is held to be invalid, it shall be considered deleted here from and shall not invalidate the remaining provisions.

20. CHOICE OF LAW

This agreement shall be governed in all respects by the laws of the State of Georgia.

21. GENERAL

- a. The provisions of the Georgia Vendor Manual are incorporated herein by reference and made a part hereof as if it had been fully set out herein. Provided, however, that in the event of a conflict between the terms and conditions contained therein and the terms and conditions of this agreement, the latter shall be controlling.
- b. The terms, conditions and specifications of the Request for Proposal or Request for Quote, if any, and/or any award made in connection with this transaction are incorporated herein by reference and made a part hereof just as if they had been fully set out herein.
- c. Items covered herein are exempt from Federal Excise Tax and from Georgia Sales and Use Tax.

22. DRUG-FREE WORKPLACE

- a. If Contractor is an individual, he or she hereby certifies that he or she will not engage in the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana during the performance of this contract.
- b. If Contractor is an entity other than an individual, it hereby certifies that:
 - (1) A drug-free workplace will be provided for the Contractor's employees during the performance of this contract; and
 - (2) It will secure from any subcontractor hired to work in a drug-free workplace the following written certification: `As part of the subcontracting agreement with (Contractor's Name), (Subcontractor's Name), certifies to the Contractor that a drug-free workplace will be provided for the subcontractor's employees during the performance of this contract pursuant to paragraph 7 of subsection B of Code Section 50-24-3.'
- c. Contractor may be suspended, terminated, or debarred if it is determined that:
 - (1) The Contractor has made false certification hereinabove; or
 - (2) The Contractor has violated such certification by failure to carry out the requirements of Official Code of Georgia Section 50-24-3."

Revised: September 21, 1999

SAA (5)

RFQ NUMBER: _____

23. AMORTIZATION SCHEDULE

Contractor shall supply an amortization schedule prior to the effective date of this contract. The amortization schedule shall be incorporated into the terms and conditions of this contract.

24. THIRD PARTY PAYMENT

Unless the Contractor is the party providing the equipment to the User Agency, payment for the purchase of the equipment in the amount of \$_____ shall be made to the following:

Such payment shall not be made until the Contractor has received written notification by the User Agency that the equipment referenced has been received and accepted.

25. SPECIAL INSTRUCTIONS

The following Special Instructions shall be in addition to the foregoing terms and conditions:

Revised: September 21, 1999

SAA (6)

RFQ NUMBER: _____

This agreement shall be executed on behalf of the User Agency by the issuance, by State Purchasing of the Department of Administrative Services, of a Purchase Order or by the issuance by the User Agency of a Field Purchase Order referencing same.

In the event this agreement is entered into as the result of a competitive bid, the following paragraph shall be deemed to be applicable.

"I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a bid for same materials, supplies, or equipment, and is in all respects fair and without collusion or fraud. I understand that collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards. I agree to abide by all conditions of this bid, and certify that I am authorized to sign this bid for the bidder

(O.C.G.A. 50-5-67). I further certify that the provisions of the Official Code of Georgia Annotated 45-10-20 et. seq. have not and will not be violated in any respect."

Accepted and executed this _____ day of _____, _____.

CONTRACTOR: _____

BY: _____
(Authorized Signature)